



March 11, 2010

The Honorable Stephanie Herseth Sandlin
U.S. House of Representatives
House Subcommittee on Economic Opportunity
Washington, DC 20515

The Honorable John Boozman
U.S. House of Representatives
House Subcommittee on Economic Opportunity
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Dear Chairwoman Sandlin and Ranking Member Boozman:

On behalf of the International Franchise Association (IFA), I write to support the subcommittee's effort to foster more economic opportunities for America's military veterans; and in particular, those returning from active service who are now reentering the workforce. As you convene today to discuss the Department of Veterans Affairs' Center for Veteran Enterprise, I want to bring to your attention several ongoing initiatives the IFA has undertaken. I would also like to highlight pending legislation, H.R. 2672, the Help Veterans Own Franchises Act, sponsored by Reps. Leonard Boswell and Aaron Schock together with a bipartisan group of more than 30 other members.

As the largest and oldest franchising trade group, the IFA's mission is to safeguard the business environment for franchising worldwide. IFA represents more than 85 industries, including more than 12,000 franchisee, 1,100 franchisor and 500 supplier members nationwide. According to a 2008 study conducted by PricewaterhouseCoopers, there are more than 900,000 franchised establishments in the U.S. that are responsible for creating 21 million American jobs and generating \$2.3 trillion in economic output.

Veterans' Transition Franchise Initiative - VetFran

VetFran was developed to help returning active duty service men and women after the first Gulf War in 1991 and the program was reenergized with a new focus in 2002. The idea for this initiative was developed by the late Don Dwyer Sr., a veteran-entrepreneur himself; and, founder of The Dwyer Group. VetFran is a voluntary effort of IFA member companies that is designed to encourage franchise ownership by offering financial incentives to honorably discharged veterans. To date, nearly 400 franchise companies participate in the program and since 2002, over 1,500 veterans have purchased their own franchise business through the program. The profiles of VetFran participating companies, as well as the financial incentives they offer to veterans, can be viewed on the IFA website at www.franchise.org.

Cooperation with the Center for Veteran Enterprise

For several years, the IFA continues to maintain an ongoing dialogue with the U.S. Department of Veterans Affairs' Center for Veteran Enterprise, seeking ways to improve program outreach to transitioning veterans. The agency is exploring new ways to help the association promote the program. In 2003, the agency honored the VetFran program with a Champion of Free Enterprise Award for expanding business opportunities for veterans and in 2006 renewed its official Memorandum of Understanding with IFA to jointly promote the program.

Help Veterans Own Franchises Act

H.R. 2672 establishes a tax credit for franchise businesses that choose to offer qualified veterans a discounted initial franchise fee. The tax credit would amount to 50% of the total franchise fee discount offered by the franchisor to the franchisee, capped at \$25,000 per unit, and also provide a tax credit for the remaining initial franchise fee paid by the veteran franchisee.

Given the current economic climate, many franchised businesses are finding it harder to access the capital they need to open new stores and recruit new investors. In order to encourage economic growth and to make it easier for veterans to own their business, the IFA supports enactment of this tax credit for those franchise systems that choose to offer qualified veterans a discounted franchise fee.

In the words of Navy veteran and Dunkin' Brands franchisee Peter Turner: "We're eager to begin the next chapter of our lives and take full advantage of the opportunities that we've helped defend while in uniform. Support such as these tax incentives gives us even more confidence to become entrepreneurs." Dunkin' Brands is a proud and active supporter of the VetFran initiative, which Peter Turner utilized when he selected his franchise opportunity.

Again, the IFA appreciates the good work of this subcommittee and strongly encourages its members to lend their support to the Help Veterans Own Franchises Act, so that our returning veterans can build a future for themselves, their families and their communities through small business ownership.

Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "David French". The signature is stylized with a large, sweeping initial "D" and a cursive "F".

David French
Vice President, Government Relations